PHILIPPINE AIRLINES, INC., PETITIONER-MOVANT, VS. HONORABLE COURT OF APPEALS AND ALENDRY DE LEON, RESPONDENTS.

G.R. NO. 159556. May 26, 2005

Ponente: CALLEJO, SR., J.

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CALLEJO, SR., J.:

Before the Court is the petition for review on certiorari filed by Philippine Airlines, Inc. (PAL) seeking the reversal of the Decision[1] dated April 25, 2003 of the Court of Appeals (CA) in CA-G.R. SP No. 63398. The assailed decision, reversing that of the National Labor Relations Commission (NLRC), found the petitioner liable for unlawfully terminating the employment of respondent Alendry de Leon. Likewise sought to be reversed and set aside is the appellate court's Resolution dated August 18, 2003 denying the petitioner's motion for reconsideration.

The factual backdrop of the case is as follows:

On September 15, 1995, the petitioner received a copy of the complaint of Cesar Villanueva addressed to the Director of the National Bureau of Investigation. Villanueva alleged therein that he purchased a round trip ticket for the petitioner's Iloilo-Manila-Iloilo flight route. He further averred that he took PAL flight PR 140 bound for Manila on August 22, 1995. Instead of taking the return flight to Iloilo, however, Villanueva decided to take the boat. Subsequently, he went to the PAL office in Iloilo to request for a refund of his unused Manila-Iloilo ticket. To his consternation, he was told that his ticket did not show that he took the PR 140 (Iloilo-Manila) flight on August 22, 1995 and neither did his name appear in the passenger boarding manifest for the said flight. Upon further verification, it was discovered that another person had collected the refund of his Manila-Iloilo ticket.

Villanueva's complaint triggered an investigation conducted by the petitioner through its internal audit. The initial findings showed that PAL Ticket No. 079 2420943398 was issued to Villanueva for the Iloilo-Manila-Iloilo route. He was originally booked on PAL flight PR 140 for Iloilo-Manila on August 22, 1995. Villanueva actually took that flight and surrendered the Iloilo-Manila coupon of his ticket to the petitioner's check-in counter in Iloilo. The Check-in Clerks then on duty were Perseus Dinglasa and Claude Corpuz while the Load Control Clerk was Arturo Garrido.

Generally, a Check-in Clerk is tasked to receive the tickets of passengers and issue to them their respective boarding passes corresponding to their flights. Upon receipt of the ticket, the Check-in Clerk is required to indicate thereon the passenger's boarding sequence number[2] and seat number and baggage information. The Check-in Clerk is also required to put his or her initials on the ticket. These checked-in tickets are to be turned over by the Check-in Clerk to the Load Control Clerk who shall log or list the passengers' names in the passenger boarding manifest or flight manifest. The Load Control Clerk shall, thereafter, invalidate these checked-in tickets by perforating or punching two holes on the lower right hand corner of each ticket.

However, with respect to Villanueva's ticket, which was surrendered to Check-in Clerks Dinglasa and Corpuz, it did not bear any boarding sequence number, seat number or baggage information. Neither did it bear the initials of

Dinglasa or Corpuz. Worse, Villanueva's name did not appear in the flight manifest prepared by Garrido. It appeared that Villanueva's checked-in ticket was not invalidated by Garrido as it did not bear any perforation or punched holes.

The investigation further showed that Villanueva's PAL Ticket No. 079 2420943398 was cancelled and in lieu thereof PAL Ticket No. 079 2420946097 was issued in his name, this time for the Bacolod-Manila route initially with an open date. The new ticket was issued by Ticket Freight Clerk Roberto Dinson. Thereafter, it was received by respondent Alendry De Leon, also a Ticket Freight Clerk, who affixed revalidation sticker No. 11277306 thereon showing booking on PAL flight PR 134 (Bacolod-Manila) on August 30, 1995. Subsequently, payment for the refund of Villanueva's new ticket was made by Dinson.

Ticket Freight Clerks are, among other tasks, responsible for issuing revalidation stickers in cases of rebookings and cancellations by passengers of their flight reservations. They are also authorized to refund tickets to bona fide refund applicants. In the refund of tickets, the Ticket Freight Clerks are required to observe certain procedural safeguards to ensure that the person requesting for the refund is the same person whose name appears in the ticket. Ticket Freight Clerks are thus required to: verify the identity of the person requesting and receiving the refund; note down the identification documents presented therefor; require the person receiving the refund to affix his or her signature on the sticker; and have a responsible officer countersign the ticket.

Upon finding that irregularities attended the refund of Villanueva's ticket, the petitioner conducted a more thorough investigation on the other tickets that had been refunded in its Iloilo Airport Ticket Office for the period of July to September 1995. The petitioner's auditors were able to contact those passengers who purportedly had their tickets refunded. These passengers confirmed that they actually took their flights but, upon verification, their names did not appear in the passenger boarding manifest of their respective flights. Further, they did not ask for the refund of their tickets. Some even turned over the passenger coupons of their flown or used tickets or boarding passes to prove that they took their flights. More than sixty (60) passengers executed affidavits and/or certificates attesting that they actually took their respective flights and that they did not request for any refund of their used or flown tickets nor cancelled their bookings.

The petitioner then formed a Special Committee to look into the anomalous transactions. The modus operandi was outlined, thus:

> - Upon presentation by the passenger of his ticket to the Check-in Clerk, the Check-in Clerk issues a Boarding Pass. Without indicating the passenger's sequence number, seat number, baggage information, nor his initial, the Check-in Clerk forwards the flight ticket coupon to the Load Control Clerk for posting/listing of the name of the passenger in the Passenger Boarding Manifest/Flight Manifest;
>
> - The Load Control Clerk instead of posting/listing the needed data in the Passenger Boarding Manifest/Flight Manifest forwards the flight ticket coupon (without invalidating/perforating it) to Ticket Freight Clerks/Check-in Clerks where the surrendered flight ticket coupon is either:
>
> - Rerouted, reissued or "in-lieued" to another sector;
>
> - Revalidated to make it appear that the passenger backed out;
>
> - Revalidated to open status.
>
> The above-mentioned activities of the Ticket Freight Clerks and Check-in Clerks after the flight ticket coupons are handed to them by [the] Load Control Clerk allow them to refund the same without arousing suspicion from the Station and Accounting Department. There are instances specially in cases of full flights where full fare coupons were even substituted with child fare (half fare) tickets issued to fictitious persons or non-revenue

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> tickets (trip pass) of their dependents to ensure that the passenger whose ticket they intend to refund is assured a seat and would not be bumped off to prevent early detection of this malevolent scheme.[3]

From the foregoing, it was deduced that the scheme could only have been effected by the employees of the petitioner themselves and by not just one but several of them acting in concert. The investigation showed that the fraudulent refunds were perpetrated by the following employees:

- Mr. Perseus Dinglasa Ticket Freight Clerk/Check-In Clerk

- Mr. Claude Corpuz Clerk Porter/Check-In Clerk

- Mr. Nestor Resma Ticket Freight Clerk/Check-In Clerk

- Mr. Arturo Garrido Load Control Clerk

- Mr. Alendry de Leon Ticket Freight Clerk

- Mr. Jeffrey de Toro Ticket Freight Clerk

- Mr. Roberto Dinson Ticket Freight Clerk

- Mr. Rogelio Manar Ticket Freight Clerk

These eight employees were all assigned at the petitioner's Iloilo Airport Ticket Office. It appeared that the anomalous transactions occurred whenever these employees were on duty and that the fraudulently refunded tickets passed through their hands for processing.

Consequently, administrative charges were filed against them for "Fraud against the Company, Falsification of Company Documents and Failure on the Job." Each of the eight employees was furnished with their respective notices of the administrative charges against them. The notices uniformly read:

> - The results of the fact-finding committee confirms (sic) your involvement in a concerted action to defraud the company of its rightful revenues by your deliberate participation in the mishandling of; lifted coupons of passengers later verified to have used/flown their tickets; resulting to passenger not being manifested on his flight; and/or substitution of the tickets of these passengers with child fare tickets; and/or issuance of fictitious child fare tickets to be used in the aforementioned substitution; and/or entering false information in the lifted tickets by affixing revalidation stickers as a spurious assumption of backing out from a flight; and/or in-lieuing of lifted flight coupons to same or different routing; and ultimately refunding of the tampered tickets; and/or improper use of space accommodation.
>
> - Be advised therefore that after due consideration and evaluation of the fact-finding committee of the evidence on hand and circumstances pertinent thereto, there appears a probable cause to administratively charge you for the offense of:
>
> A. FRAUD – under Chapter 2, Sec. 7, Art. 57 as defined as follows:
>
> FRAUD AGAINST THE COMPANY
>
> Any employee who deliberately or negligently makes a false presentation of facts or any kind of deception, or a false or fraudulent claim against the company; or knowingly or with gross negligence, initiates or takes part in any action intended to defraud the company or to obtain a payment, benefit or gain from the company to which he or [a] third party is not entitled, or knowingly honors a forged signature for his own benefit or that of another person; or accepts, submits or gives due course or approval to a document knowing it to be false or erroneous, under or overvalued, shall suffer the penalty of dismissal.
>
> B. FALSIFICATION OF COMPANY DOCUMENTS under Chapter 2, Sec. 7, Art. 60, as defined as follows:

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FALSIFICATION

Falsification of a company document or the use of a falsified document or false information is a serious misconduct. Any employee who, shall falsify, conceal or fabricate company documents or records, or enters false information on any official company document shall suffer the penalty of dismissal.

Acts of falsification include not only tampering with or altering documents or records, but also that of representing falsely or distorting, or violating the truth.

C. FAILURE ON THE JOB under Chapter II, Sec. 2, Art. 25 defined as follows:

FAILURE ON THE JOB

Any employee who demonstrates his refusal or inability without justifiable reasons or cause to perform the duties and responsibilities on his job and to accomplish the performance and productivity standards thereof shall be meted the penalty AS PRESCRIBED IN THE SCHEDULE OF PENALTIES UNDER ARTICLE 14 OF THIS CODE, depending upon the gravity and/or frequency of the offense and whether the evidence shows the situation to be temporary and remediable or permanent and incurable. WHERE SUCH ACT OR ACTS AMOUNT TO ANY OF THE JUST CAUSES FOR TERMINATION UNDER ARTICLE 282 OF THE LABOR CODE OF THE PHILIPPINES, THE PENALTY SHALL BE DISMISSAL.

- Your particular participation in this conspiracy to defraud the company and other violations so mentioned are summarized in the attached schedule under "responsible employee."

- The foregoing charges constitute grave abuse of trust and confidence reposed upon you by the company, which are sufficient grounds for your dismissal from employment not only under [the] Code of Discipline but also under the Labor Code as amended, without prejudice to the company filing a criminal complaint.

- You are given ten (10) calendar days from receipt of this notice within which to answer the charge/s contained herein. You may submit your sworn written answer or counter-affidavit with sworn statements of your witness, if any, and other supporting documents.

- Since it appears that your continued employment poses a serious and eminent threat to the interests of the company you are hereby placed on preventive suspension for thirty (30) days immediately upon receipt of this notice.[4]

As indicated in the notices, the said employees were given ten (10) days to submit their respective sworn written answers to the charges against them. Clarificatory hearings were conducted by the petitioner's Administrative Investigating Panel where the said employees appeared with their respective counsels. Thereafter, the panel submitted its report and recommendation finding the eight employees guilty of the charges against them. Accordingly, the petitioner meted the penalty of dismissal on these employees. It furnished them their respective notices of dismissal stating therein the reasons and grounds therefor.[5]

Forthwith, Roberto Dinson, Rogelio Manar, Alendry De Leon (respondent herein), Jeffrey De Toro, Arturo Garrido and Perseus Dinglasa filed their respective complaints for illegal dismissal against the petitioner docketed as NLRC SRAB VI Case Nos. 06-12-50415-95, 06-02-50133-96, 06-12-50416-95, 06-02-50135-96, 06-02-50136-96, 06-02-50142-96 and 06-02-50145-96, respectively. Dinglasa's complaint, however, was dismissed without prejudice to its re-filing because he did not sign his complaint and its verification. Only his attorney-in-fact signed the same.

The cases were consolidated and jointly tried. The Labor Arbiter conducted a full-blown trial where the petitioner presented three[6] of its employees who described the procedure the ticket undergoes in the normal course from when the passenger buys it to when it is used with the passenger actually boarding his or her flight. They also

explained the scheme employed by the dismissed employees to fraudulently refund the used or flown tickets. Three passengers[7] also took the witness stand and testified that while they actually took their scheduled flights, their names did not appear in the passenger boarding manifest thereof. These passengers asserted that they did not by themselves, nor did they authorize other persons to, ask for the refund of their tickets. In addition, the petitioner presented in evidence over a hundred documents consisting of, among others, affidavits[8] or certifications[9] of passengers who invariably made similar allegations. Also submitted as evidence for the petitioner were the tickets involved in the anomalous transactions.

For their part, Dinson, Manar, De Toro, Garrido, Dinglasa and respondent De Leon, as complainants, testified and likewise submitted their respective documentary evidence. They denied any involvement in the anomalous transactions involving the refund of flown or used tickets. They maintained that no irregularity attended the performance of their respective functions. They claimed that the petitioner did not afford them procedural due process.

After due proceedings, the Labor Arbiter rendered judgment dismissing the complaints for illegal dismissal. It was held that the petitioner was able to establish by substantial evidence that there was valid and just cause to terminate the employment of the complainants. According to the Labor Arbiter, the testimonies of the three passengers, as well as the affidavits of the other passengers similarly situated, were more than enough evidence to convince an unbiased person that used or flown tickets had indeed been fraudulently refunded. As a result, the petitioner had been deprived of its rightful revenues.

The Labor Arbiter found that the used or flown tickets that had been fraudulently refunded were for the flights when Garrido, as the Load Control Clerk, was on duty. For example, the tickets of the passengers who testified during the hearings were turned over to Garrido and contrary to what was required of him, he did not enter their names in the passenger boarding manifest for the said flights. These tickets were later fraudulently refunded. Over a hundred tickets were later discovered to have been similarly fraudulently refunded.

The Labor Arbiter further made the finding that Garrido could not have acted alone because he could not cause the tickets to be refunded by himself. Ticket Freight Clerks Dinson, Manar, De Leon and De Toro, whose duties included the refunding of tickets, were thus held to have acted in concert with Garrido. Specifically, they participated in the scheme by re-routing and affixing revalidation stickers on the tickets to make it appear that the passengers backed out of their flights and had their new tickets rerouted with open dates. Subsequently, the new tickets were refunded. Other schemes resorted to by these Ticket Freight Clerks included substituting "adult fare" tickets, which are charged the full fare, with "child fare" tickets, which are charged only half the fare. The "adult fare" tickets were then refunded. There were instances also when tickets of paying passengers were replaced with non-revenue tickets (trip passes given to dependents of the petitioner's employees) and the former were then refunded.

In finding them to have acted in concert to defraud the petitioner, the Labor Arbiter opined:

> If there was no connections [sic] between Garrido on the one hand and Dinson, Manar, De Leon and De Toro, there was no way the used tickets would have been refunded.
>
> It would be taxing our imagination to absurd limits to make us believe that strangers got hold of these used tickets and complainants Dinson, Manar, De Leon and De Toro so extra gullible that they were not able to detect hundreds of used tickets which strangers presented to them for "in-lieuing," re-routing, revalidating, rescheduling, etc. If these were an isolated case then it can be said that human lapses were to blame. When hundreds of tickets are involved, human lapses as an excuse become lame and unbelievable.
>
> Complainants who are Check-in/Freight Clerks contend that the Cashier and Station Head could have detected

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> then and there the said anomaly since they signed the verification, and certified the same as correct the Daily Sales Report submitted by complainants. This does not exculpate complainants from their actions which were later found to be anomalous. At most, the Cashier and the Station Head were negligent in the performance of their duties but complainants are still liable for their anomalous refunds.[10]

The claim of denial of due process was, likewise, given scant consideration as the Labor Arbiter declared that the dismissed employees were given ample opportunity to present their side. Accordingly, the Labor Arbiter dismissed the complaints as he declared that the petitioner was justified in terminating the employment of Dinson, Manar, De Toro, Garrido and respondent De Leon.

The dismissed employees then elevated the case to the NLRC. Their appeal was docketed as NLRC Case No. V-000583-98. In the Decision dated June 30, 2000, the NLRC denied the appeal as it affirmed in toto the findings and conclusions of the Labor Arbiter.

Refuting the dismissed employees' contention that conspiracy had not been established, the NLRC expounded that "conspiracy" should not be given its technical meaning in criminal law. Rather, it is sufficient for purposes of labor proceedings that it had been established by substantial evidence consisting of the testimonies of the passengers and other documentary evidence that the appellants participated in the realization of the fraudulent refund of tickets.

Only respondent De Leon filed with the CA a petition for certiorari imputing grave abuse of discretion on the part of the NLRC in rendering the decision which affirmed that of the Labor Arbiter.

In the assailed Decision dated April 25, 2003, the appellate court reversed the decision of the NLRC with respect to respondent De Leon. The CA held that there was no sufficient evidence to establish that respondent De Leon conspired with the other employees in fraudulently refunding the used or flown tickets. The CA explained that the fact that respondent De Leon "changed, re-routed or re-issued" four tickets and "affixed revalidation stickers" on three tickets which were later fraudulently refunded does not automatically establish that these were done by him for the purpose of defrauding the petitioner of its revenues and as part of the alleged conspiracy against PAL.

The CA ratiocinated, thus:

> [I]t was possible that petitioner [respondent De Leon] was not aware that the tickets which were brought to him for "in-lieuing, re-routing, re-issuing and affixing revalidation stickers" were already used or flown. As Ticket Freight Clerk, "in-lieuing, re-routing, re-issuing and affixing revalidation stickers" are part of the usual and normal functions of petitioner's nature of work. The latter had no reason to suspect that the tickets brought to him were already used or flown since under normal procedures, used or flown tickets should not even be brought to his office in the first place, but should have been posted by the Load Control Clerk. Under the circumstances, it is only the Load Control Clerk which could be attributed with the knowledge that the tickets were already used, but not the Ticket Freight Clerk.
>
> The fact that the tickets have "check-in markings" on them could not be taken against petitioner since the tickets were not perforated. When tickets have been flown or used, they are perforated and sent to the Accounting and Auditing Division together with the passenger manifest. Without the perforation, the "check-in markings" may not be considered unusual or suspicious, for there are cases when passengers back-out from their flights even after they have already checked-in. In these instances, the tickets are given back with the "check-in markings."
>
> The possibility that petitioner might have been taken advantage of by his co-workers, who were responsible for the perpetration of the anomalous transactions, cannot be discounted. This doubt, as to petitioner's participation in the fraudulent scheme against PAL should be resolved in favor of petitioner. In case of doubt, cases should be resolved in favor of labor, pursuant to the social justice policy of our labor laws and the Constitution.[11]

The CA concluded that the petitioner was not able to discharge its burden of proving that there existed valid and just cause to dismiss respondent De Leon. It thus declared that the NLRC committed grave abuse of discretion in finding that respondent De Leon effected refunds of used or flown tickets in furtherance of the conspiracy to perpetrate fraud against PAL. The dispositive portion of the assailed CA decision reads:

> WHEREFORE, finding merit in the petition, the same is hereby GRANTED and the assailed decision of the NLRC is hereby REVERSED AND SET ASIDE.
>
> Finding petitioner's dismissal from employment to be illegal, private respondent PAL is hereby ordered to reinstate petitioner to his former position, without loss of seniority rights and other privileges, or in lieu of reinstatement, if the same is no longer possible, to pay petitioner a separation pay equivalent to one (1) month's salary for every year of service rendered by the latter. Private respondent PAL is likewise ordered to pay backwages in favor of petitioner from the time the latter was illegally dismissed until his reinstatement, or until the finality of this decision, in case reinstatement is no longer possible.
>
> SO ORDERED.[12]

The petitioner moved for the reconsideration of the appellate court's decision but its motion was denied in the assailed Resolution dated August 18, 2003. Hence, its recourse to this Court.

The petitioner proffers the following reasons for the allowance of its petition for review on certiorari:

> -I-
>
> THE DECISION OF THE COURT OF APPEALS IS CONTRARY TO THE WELL-SETTLED DOCTRINE THAT FACTUAL FINDINGS OF LABOR OFFICIALS WHEN SUPPORTED BY SUBSTANTIAL EVIDENCE ARE NOT TO BE DISTURBED. THEY MUST BE ACCORDED NOT ONLY RESPECT BUT FINALITY.
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> -II-
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> THE DECISION OF THE COURT OF APPEALS IS CONTRARY TO THE EXPRESS PROVISION OF THE LABOR CODE THAT IN PROCEEDINGS BEFORE THE NATIONAL LABOR RELATIONS COMMISSION AND THE LABOR ARBITERS, THE RULES OF EVIDENCE PREVAILING IN COURTS OF LAW OR EQUITY SHALL NOT BE CONTROLLING. THEY SHALL USE EVERY AND ALL REASONABLE MEANS TO ASCERTAIN THE FACTS IN EACH CASE SPEEDILY AND OBJECTIVELY AND WITHOUT REGARD TO TECHNICALITIES OF LAW OR PROCEDURE.
>
> -III-
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> THE COURT OF APPEALS COMPLETELY MISAPPRECIATED EXTANT EVIDENCE AND THUS, SERIOUSLY ERRED IN DECLARING THE DISMISSAL OF RESPONDENT ALENDRY DE LEON ILLEGAL ALLEGEDLY BECAUSE –
> (a) THE ACT OF CHANGING, RE-ROUTING OR RE-ISSUING OF FOUR (4) TICKETS AND AFFIXING REVALIDATION STICKERS TO THREE (3) OTHER TICKETS BY THE PETITIONER "DO NOT AUTOMATICALLY ESTABLISH THAT THE SAME WERE DONE XXX FOR THE PURPOSE OF DEFRAUDING PAL OF ITS REVENUES AND AS PART OF THE ALLEGED CONSPIRACY AGAINST PAL" SINCE THEY WERE ISOLATED AND TRIVIAL ACTS WHICH "COULD BE DISMISSED AS NEGLIGENCE OR OVERSIGHT."
>
> (b) THE PETITIONER WAS NOT AWARE THAT THE TICKETS WHICH WERE BROUGHT TO HIM FOR "IN-LIEUING, RE-ROUTING, RE-ISSUING AND AFFIXING VALIDATION STICKERS" WERE ALREADY USED OR FLOWN AND THAT "PETITIONER MIGHT HAVE BEEN TAKEN ADVANTAGE OF BY HIS CO-WORKERS WHO ARE RESPONSIBLE FOR THE PERPETRATION OF THE

ANOMALOUS TRANSACTIONS."[13]

The foregoing grounds relied upon by the petitioner are interrelated and may be subsumed in the basic issue of whether the CA committed reversible error when it set aside the decision of the NLRC and held the petitioner liable for terminating the employment of respondent De Leon.

It is well entrenched that when supported by substantial evidence, factual findings made by quasi-judicial and administrative bodies are generally accorded great respect and even finality by the courts.[14] Substantial evidence, which is the quantum of evidence required to establish a fact in cases before administrative or quasi-judicial bodies, is that level of relevant evidence which a reasonable mind might accept as adequate to justify a conclusion.[15]

After a careful review of the records of the case, the Court finds that the findings and conclusions of the Labor Arbiter with respect to the validity of the dismissal of respondent De Leon and his companions, which the NLRC affirmed in toto, are supported by substantial evidence. Accordingly, the CA committed reversible error in setting aside these findings and conclusions of the labor officials.

The Court observes that the petitioner has presented ample evidence showing respondent De Leon's involvement in the anomalous transactions of refunding used or flown tickets. His involvement has been shown particularly in the instances of fraudulent refund of tickets of the following passengers:

Daisy Divinagracia and Mark Barretto

They surrendered their tickets to Check-in Clerks Dinglasa and Resma when they checked in for their Iloilo-Manila flight on August 17, 1995. Without indicating thereon the necessary information, Dinglasa and Resma turned over the tickets to Load Control Clerk Garrido who, contrary to the standard procedure, did not invalidate the tickets. Neither did Garrido enter the names of Divinagracia and Barretto in the passenger boarding manifest of flight PR 148 on August 17, 1995 despite the fact that they actually boarded said flight. The tickets of Divinagracia and Barretto were forwarded to Ticket Freight Clerk Manar, who endorsed them to respondent De Leon, also a Ticket Freight Clerk. In lieu of these tickets, respondent De Leon issued new tickets in the names of Divinagracia and Barretto for the Roxas City-Manila route with open dates despite the fact that no such request was made by these passengers because they actually took their original flights.[16] These new tickets issued by respondent De Leon were subsequently refunded.[17]

In her affidavit,[18] Divinagracia attested that she bought the tickets for herself and her relatives Mark and Lito Barretto for the petitioner's Iloilo-Manila-Iloilo route. They were booked on flight PR 148 on August 17, 1995. They actually took the said flight but later discovered that their names did not appear in the passenger boarding manifest thereof. She further averred that neither she nor Mark requested for the rerouting of their tickets. They did not, likewise, ask for the refund of the same. Moreover, the signatures appearing on the refunded tickets were not their signatures and the contact numbers indicated thereon were not theirs.

Reynaldo Espinal

He surrendered his ticket for flight PR 148 on August 8, 1995 to Dinglasa and Resma. His ticket, when turned over to Garrido, was not invalidated. And although his Boarding Sequence Number was 51, Espinal's name did not appear in the passenger boarding manifest of flight PR 148 on the said date. Instead, the name of half-fare or child passenger "LAYUG, DD, MSTR" appeared on Boarding Sequence No. 51 thereon.

It appeared that a ticket for the Iloilo-Manila (one way) route with an open date was issued to a "LAYUG, DD, MSTR," a child passenger. This half-fare or child ticket, issued by Ticket Freight Clerk Dinson, subsequently reached respondent De Leon, who affixed a revalidation sticker thereon which made it appear that "LAYUG, DD,

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MSTR" was booked on flight PR 148 on August 8, 1995.[19] This booking, however, was not recorded in PAL's reservations system. The half-fare or child ticket of LAYUG, DD, MSTR was then used to substitute Espinal's ticket, on which a revalidation sticker showing "open" booking was affixed by Ticket Freight Clerk De Toro. In lieu of this ticket, Dinson issued a new ticket in the name of Espinal for the Bacolod-Manila route.[20] Subsequently, this new ticket was refunded.[21]

In his affidavit,[22] Espinal stated that he purchased a ticket for the petitioner's flight PR 148 for Iloilo-Manila on August 8, 1995. He actually took the said flight but later learned that his name did not appear in the passenger boarding manifest thereof. He further declared that he did not cancel his booking on the said flight nor did he ask for the refund of his ticket.

Ma. Lucia and Leticia Mondragon

Their tickets were received by Dinglasa and Resma when they checked-in for the PR 140 flight for Iloilo-Manila on August 8, 1995. Ma. Lucia and Leticia Mondragon were assigned Boarding Sequence Nos. 92 and 93, respectively, but Dinglasa and Resma did not write on the tickets the necessary information. When the tickets were turned over to him, Garrido, again, did not invalidate the tickets nor did he log the names of Ma. Lucia and Leticia Mondragon in the passenger boarding manifest. Instead, appearing therein and assigned Boarding Sequence Nos. 92 and 93 were the names of "SANTOS, MELRIC, MSTR" and "TAN, JANJASON, MSTR," both half-fare or child passengers.

These half-fare or child tickets, issued by Manar,[23] were used to substitute the tickets of Ma. Lucia and Leticia Mondragon. The latter tickets were cancelled and in lieu thereof, new tickets were issued by Dinson in their names for Iloilo-Manila with open booking. Subsequently, Manar and Dinson affixed revalidation stickers on the new tickets of Leticia and Ma. Lucia Mondragon, respectively. The revalidation stickers used by Manar and Dinson were assigned or issued to respondent De Leon.[24] The new tickets were later on refunded by Manar.[25]

In their joint affidavit,[26] Ma. Lucia and Leticia Mondragon averred that they purchased tickets for the petitioner's Iloilo-Manila-Iloilo route. They were booked on flight PR 140 bound for Manila on August 8, 1995. They took the said flight but, upon verification, their names did not appear in the passenger boarding manifest thereof. They categorically denied canceling their original booking or requesting for a refund of their tickets. Moreover, the signatures appearing on the refunded tickets were not theirs.

Virgilio Dureza

When he checked-in for flight PR 140 (Iloilo-Manila) on August 18, 1995, Dureza surrendered his ticket to Dinglasa and Resma who, without indicating thereon the required information, turned over the same to Garrido. Dureza was assigned Boarding Sequence No. 77. Garrido neither invalidated Dureza's ticket nor included his name in the passenger boarding manifest. Instead, the name of half-fare or child passenger "GALO, EL MSTR" appeared therein.

The half-fare or child ticket for the Iloilo-Manila route, issued by Dinson, was received by respondent De Leon who affixed thereon a revalidation sticker to make it appear that "GALO, EL MSTR" was booked on flight PR 140 on August 18, 1995.[27] Such booking, however, was not reflected in PAL's reservations system. This half-fare or child ticket was used to substitute Dureza's ticket which was, in turn, received by De Toro who affixed thereon a revalidation sticker.[28] On August 21, 1995, in lieu of this ticket, respondent De Leon issued a new ticket in the name of Dureza, this time, for the Manila-Iloilo route with open date.[29] The following day, this new ticket was refunded by Dinson.[30]

In his affidavit,[31] Dureza averred that he purchased the ticket for the petitioner's Iloilo-Manila-Iloilo route. He

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had a booking for the PR 140 flight on August 18, 1995 and he actually took the said flight. He discovered, however, that his name did not appear in the passenger boarding manifest thereof. He denied canceling his original booking or requesting for a refund of his ticket. Further, the signature appearing on the refunded ticket and the address indicated therein were not his.

Anastacio Villanueva

When he checked-in for flight PR 140 (Iloilo-Manila) on August 18, 1995, Villanueva surrendered his ticket to Dinglasa and Resma. Contrary to the standard procedure, Dinglasa and Resma did not indicate on the said ticket his boarding sequence number, seat number and baggage information. They endorsed the ticket to Garrido, who did not invalidate the same. He did not also log Villanueva's name in the passenger boarding manifest of the said flight. Thereafter, Dinson affixed a revalidation sticker on Villanueva's ticket making it appear that he cancelled his booking on PR 140 on August 18, 1995.[32] In lieu of this ticket, respondent De Leon issued a new ticket in Villanueva's name for Manila-Iloilo route with open date.[33] The new ticket was subsequently refunded by Dinson.[34]

In his affidavit,[35] Villanueva stated that he purchased ticket for the petitioner's Iloilo-Manila-Iloilo route. He had a booking on PR 140 flight on August 18, 1995. He actually boarded the said flight. However, it was subsequently discovered that his name did not appear in the passenger boarding manifest thereof. He clarified that he did not cancel his original booking and that he did not request for a refund of his ticket. Also, the signature appearing in the refunded ticket and the address indicated therein were not his.

To the Court's mind, the foregoing incidents, culled from the affidavits of the passengers and the documentary evidence, indubitably establish respondent De Leon's involvement in the fraudulent refund of tickets to the petitioner's prejudice. The affidavits of Divinagracia, Espinal, the Mondragons, Dureza and Anastacio Villanueva, even if they did not testify during the hearings before the Labor Arbiter, were properly given evidentiary weight. It is recognized that administrative bodies like the NLRC, including the Labor Arbiter, are not bound by the technical niceties of the law and procedure and the rules obtaining in courts of law.[36] Rules of evidence are not strictly observed in proceedings before administrative bodies like the NLRC, where decisions may be reached on the basis of position papers.[37]

Their affidavits, taken together with the tickets, confirm respondent De Leon's participation in the scheme by which the used or flown tickets were refunded. As correctly asserted by the petitioner, respondent De Leon's and his companions' culpability cannot be compartmentalized. Each played an important role in the consummation of the fraud.

Respondent De Leon claims that his acts were routinary and innocent and were made in the performance of his functions. This contention is flimsy. Significantly, he performed these acts of "in-lieuing," rerouting, reissuing and affixing revalidation stickers without the passengers themselves requesting such, because they, in fact, took their flights. Further, all these occurred in the month of August 1995; hence, contrary to the CA's theory, they could not be considered as "isolated acts" which "could be dismissed as negligence or oversight" on the part of respondent De Leon. Rather, his acts were highly irregular and convincingly demonstrate that he acted in cahoots with the other dismissed employees to perpetrate their scam. In particular, his acts of "in-lieuing," rerouting, reissuing and affixing revalidation stickers facilitated the fraudulent refund of the tickets.

In holding that "PAL was not able to meet its burden of proving [respondent De Leon's] participation in the fraudulent scheme against it"[38] and that the NLRC "abused its discretion in finding that [respondent De Leon] effected refunds of used or flown tickets in furtherance of the conspiracy to perpetrate fraud against PAL,"[39] the CA, in effect, would require direct proof of the conspiracy. The appellate court committed reversible error in so

holding.

Even in criminal law, where the quantum of evidence required is proof beyond reasonable doubt, direct proof is not essential to show conspiracy.[40] It may be deduced from the mode, method and manner by which the offense was perpetrated, or inferred from the acts of the accused themselves when such acts point to a joint purpose and design, concerted action and community of interest.[41] If it is proved that two or more persons aimed by their acts towards the accomplishment of the same unlawful object, each doing a part so that their acts, though apparently independent, were in fact connected and cooperative, indicating a closeness of personal association and a concurrence of sentiments, then a conspiracy may be inferred though no actual meeting among them to concert is proved.[42] These truisms find more application in administrative proceedings where, as earlier intimated, the quantum of evidence required is substantive evidence, not proof beyond reasonable doubt.

In this case, there is ample evidence to support the findings and conclusions of the NLRC, affirming those of the Labor Arbiter, that the dismissed employees, including respondent De Leon, acted in concert to defraud the petitioner. As shown earlier, in not a few instances, the tickets that were fraudulently refunded were processed by respondent De Leon, together with the other dismissed employees, in connection with their functions without which collusion the said anomalies could not have been committed.

Accordingly, the NLRC and the Labor Arbiter correctly found that the petitioner was justified in terminating the employment of the dismissed employees, including respondent De Leon, as there existed valid and just cause therefor. Their misconduct rendered them unworthy of the trust and confidence reposed on them by the petitioner and warranted their dismissal. The CA committed reversible error in setting aside those findings and conclusions with respect to respondent De Leon.

WHEREFORE, the petition is GRANTED. The Decision dated April 25, 2003 and Resolution dated August 18, 2003 of the Court of Appeals in CA-G.R. SP No. 63398 are REVERSED AND SET ASIDE. The Decision dated June 30, 2000 of the NLRC in NLRC Case No. V-000583-98 affirming that of the Labor Arbiter is REINSTATED.

SO ORDERED.

Puno, (Chairman), Austria-Martinez, and Chico-Nazario, JJ., concur.
Tinga, J., out of the country.

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[1] Penned by Associate Justice Eloy R. Bello, Jr. (now retired), with Presiding Justice Cancio C. Garcia (now a member of the Supreme Court) and Associate Justice Mariano C. Del Castillo, concurring.

[2] The chronological order of passengers who checked-in and is the basis for preparing the same chronological listing of the passengers in the passenger boarding manifest or flight manifest.

[3] The petitioner's Memorandum, pp. 11-12; Rollo, pp. 1164-1165. (Emphases supplied)

[4] Annex "10" (addressed to respondent De Leon) of the petitioner's Position Paper filed with the Labor Arbiter, Rollo, pp. 310-312. Also Annexes "3" (Dinson), "6" (Manar), "13" (De Toro), "16" (Garrido) and "19" (Dinglasa) thereof.

[5] Annex "12" (addressed to respondent De Leon) of the petitioner's Position Paper filed with the Labor Arbiter, Rollo, pp. 324-325. Also Annexes "5" (Dinson), "9" (Manar), ""15" (De Toro) and "18" (Garrido) thereof.

[6] Namely, Restituto Supnet, Jr., Elizabeth David and Cesar Buyco.

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[7] Namely, Salvador Gencianeo, Jr., William Coo and Cesar Villanueva.

[8] Exhibits "1-F" and "14" up to "41" of the petitioner's Offer of Evidence, Rollo, pp. 526-527 and 549-654.

[9] Exhibits "42" up to "64" of the petitioner's Offer of Evidence, Rollo, pp. 655-676.

[10] Decision dated September 30, 1998 penned by Labor Arbiter Rodolfo G. Lagoc, p. 66; Rollo, p. 153.

[11] Rollo, p. 69.

[12] Id. at 70.

[13] Rollo, p. 1167.

[14] R & E Transport, Inc. v. Latag, G.R. No. 155214, 13 February 2004, 422 SCRA 698.

[15] Anflo Management & Investment Corp. v. Bolanio, G.R. No. 141608, 4 October 2002, 390 SCRA 473.

[16] See Exhibits "92," "92-A," "92-B," "93," "97," "98," "98-A" and "98-B" of the petitioner's Offer of Evidence, Rollo, pp. 713-714 and 720-721.

[17] See Exhibits "91," "91-A," "91-B," "91-C," "96," "96-A," "96-B" and "96-C" of the petitioner's Offer of Evidence, Rollo, pp. 712 and 719.

[18] Exhibit "20" of the petitioner's Offer of Evidence, Rollo, pp. 573-574.

[19] See Exhibits "107-D" and "107-E" of the petitioner's Offer of Evidence, Rollo, p. 809.

[20] See Exhibit "107-G" of the petitioner's Offer of Evidence, Rollo, p. 811.

[21] See Exhibit "107-H" of the petitioner's Offer of Evidence, Rollo, p. 812.

[22] Exhibit "107-B-1" of the petitioner's Offer of Evidence, Rollo, pp. 804-805.

[23] See Exhibits "108-F" and "108-G" of the petitioner's Offer of Evidence, Rollo, pp. 832-833.

[24] See Exhibits "108-H," "108-I," "108-J" and "108-K" of the petitioner's Offer of Evidence, Rollo, pp. 835-836.

[25] See Exhibits "108-L" and "108-L-1" of the petitioner's Offer of Evidence, Rollo, pp. 837-838.

[26] Exhibit "108-C-1" of the petitioner's Offer of Evidence, Rollo, pp. 826-827.

[27] See Exhibits "109-D" and "109-E" of the petitioner's Offer of Evidence, Rollo, p. 857.

[28] See Exhibits "109-A" and "109-F" of the petitioner's Offer of Evidence, Rollo, p. 849.

[29] See Exhibit "109-G" of the petitioner's Offer of Evidence, Rollo, p. 858.

[30] See Exhibit "109-H" of the petitioner's Offer of Evidence, Rollo, p. 860.

[31] Exhibit "109-B-1" of the petitioner's Offer of Evidence, Rollo, pp. 852-853.

[32] See Exhibit "114-E" of the petitioner's Offer of Evidence, Rollo, p. 957.

[33] See Exhibit "114-F" of the petitioner's Offer of Evidence, Rollo, p. 959.

[34] Ibid.

[35] See Exhibit "114-C-1" of the petitioner's Offer of Evidence, Rollo, pp. 951-952.

[36] Bantolino v. Coca-Cola Bottlers Phils., Inc., G.R. No. 153660, 10 June 2003, 403 SCRA 699.

[37] Rabago v. NLRC, G.R. Nos. 82868 and 82932, 5 August 1991, 200 SCRA 158.

[38] Rollo, p. 69.

[39] Ibid.

[40] Li v. People, G.R. No. 127962, 14 April 2004, 427 SCRA 217.

[41] People v. Pateo, G.R. No. 156786, 3 June 2004, 430 SCRA 609.

[42] Alvizo v. Sandiganbayan, G.R. Nos. 98494-98692, 17 July 2003, 406 SCRA 311.

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